

Report to the Cabinet

Report reference: C-042-2023/24

**Date of meeting: 5th February
2024**



Portfolio: Cllr C Whitbread, Leader of Council

Subject: Fit for the Future – EFDC Transformation Portfolio

Responsible Officer: Georgina Blakemore, Chief Executive

Democratic Services Officer: V Messenger (democraticservices@eppingforestdc.gov.uk)

1. Recommendations/Decisions Required:

- 1.1 To agree to the creation of a Reserve of up to £3 million for the purposes of investing in the Council's Fit for the Future Portfolio. The Reserve to be created using part of the initial windfall of interest income created from sale of part of the employment land at North Weald. Funding will be taken from the Revenue Budget over a period of two years, as far as delivering a balanced budget allows.
- 1.2 To agree that funding in 2024/25 of up to £40,000 will be considered as part of the 2024/25 budget process, for the purposes of establishing a post to collectively represent North Essex Councils (appendix A) and to establish a detailed terms of reference for NEC and develop a clear programme of work.
- 1.3 To agree the council should work with Braintree District Council and Colchester City Council to develop a full business case and proposed approach to delivery for a single shared back office for the corporate services referenced in this report and to approve the release of £180K from the Transformation Reserve to support development of the business case.
- 1.4 To note that a full governance proposal for the Fit for the Future transformation reserve will be presented in March 2024 Cabinet for agreement.

2. Executive Summary:

2.1 Background

This report provides an outline of the Council's proposed Fit for the Future Transformation Portfolio and associated finance provisions.

Fit for the Future is a focused portfolio of transformation for EFDC over the next 4 years (2024-2027) ensuring that the Council can operate within its financial means and deliver services that residents and businesses need.

This report also updates Cabinet on North Essex Councils (formerly known as NEA) Memorandum of Understanding agreed in December 2022 and seeks approval to form

part of the North Essex Councils partnership and commit resources to enable its priorities of Housing, North Essex Economic Board (NEEB) and Shared Services to be delivered.

It also seeks approval to progress to full business case for a single shared back office delivering services for Braintree District Council, Colchester City Council and Epping Forest District Council.

2.2 Reasons for Proposed Decision:

There are several factors driving the need to ensure EFDC are ready for the challenge of delivering local government services in the future. People, money, and future proofing are the main three.

2.2.1 People

Across the sector there are organisational resilience, skills, and experience challenges in many areas – it is no longer the case that Councils are ‘short on planners’ - this challenge extends to all main service areas and is evident at EFDC.

The aim of this transformation is to offer opportunity, training, and development to our future workforce, attracting and retaining talent and benefitting from improved performance therefore service delivery. The future workforce of EFDC will include partnership, sharing and a mixed economy of delivery models.

2.2.2 Money

The challenge of setting a balanced budget this year and next year has been significant. There is nowhere else to look now other than transformational design and ways of working in order to ensure financial stability is retained. This portfolio of transformational work will require upfront investment for a return over a defined time period, look for income generation and will inevitably deliver efficiencies. The windfall interest on the sale receipt from North Weald creates an opportunity to use its benefit to secure a longer-term sustainable budget solution which balances future budget years without the need to resort to annual cuts exercises. Upfront investment to deliver sustainable savings will payback many times over the life of this Medium-Term Financial Plan and beyond.

2.2.3 Future proofing

The period of 2024 to 2027 aligns with the Corporate Plan for EFDC. Fit for the Future will focus on key programmes and projects that will ensure Members can confidently take decisions through robust governance, address the increasing financial challenges, retain access to skills and capacity and deliver Council services to the residents and businesses of Epping Forest District.

2.3 The Portfolio structure

It is proposed that the portfolio structure will mirror the Corporate Plan workstreams – Stronger Council, Stronger Communities and Stronger Place.

The initial Fit for the Future transformation portfolio outline has the following programmes of work in response to the main challenges identified (People, Money, Future Proofing)

Stronger Council:

- Shared Services and Partnership Working
- Future Workforce

Stronger Communities:

- Digital Customer
- Waste and Recycling service development

Stronger Place:

- Economic Growth (including local plan employment sites)
- Council Asset Programme

2.4 Other Options for Action:

The Council could continue to undertake change projects and programmes without the required co-ordination or investment; however, this would result in a lack of targeted outcomes, and increased costs from less-than-optimal delivery.

The partnership work carried out with Braintree District and Colchester City Councils could be ceased, and we return to working in isolation of our North Essex Councils' colleagues, however this would increase risks around organisational resilience and performance making the next 4 year's budget setting more of a reduction exercise than a maximising opportunity.

3. Report:

3.1 Fit for the Future Portfolio

The Fit for the Future transformation portfolio (appendix E) will be the mechanism for EFDC to address the significant challenges it faces over the next four years. The portfolio will reflect the Corporate Plan themes and will focus on work that future proofs the organisation therefore protects frontline service delivery and the district as a place to live, work and play.

3.1.1 Stronger Council Workstream:

Shared Services and Partnership Working

Across North Essex with our partner Councils, we are collaborating to provide a platform for enhanced cooperation across North Essex, to achieve better outcomes for our residents and businesses, by working together rather than separately.

Within Shared Services, we will shape one service delivering to multiple councils with the objective of improving performance to customers, retaining specialisms in second tier Councils and attracting quality people with attractive challenging roles working across Councils efficiently.

Other examples of integrated and partnership working will also be reflected here including our relationships with Health and the integrated care boards, and with Essex county council.

Future Workforce

EFDC organisational design work will focus on the form of and skills within the organisation as the functions EFDC deliver begin to transform into new models of delivery such as shared services, partnership working, contractual relationships and other mixed economy of delivery types.

3.1.2 Stronger Communities Workstream:

Digital Customer

The alignment of customer strategy and digital investment to maximise the customer experience. This will include all contact methods ensuring that complex and urgent customer need is met as a priority and customer satisfaction is on an upwards trajectory.

Waste and Recycling Service Development

Provision of waste and recycling services following the end of the Biffa contract. Focus on the value add of insourcing a service that touches every household across the district. Work with Essex County Council as the strategic waste disposal authority and government as policy and legislative change approaches.

3.1.3 Stronger Place Workstream

Economic Growth (including Local Plan employment sites)

Focus on the creation of skilled jobs for local people on sites that the Council has ownership or partnership influence. Inclusive of the Harlow and Gilston Garden Town, North Weald and other significant sites designated in the adopted Local Plan.

Council Asset Programme

Maximise the opportunity for EFDC assets to contribute to the financial stability, growth, and inward investment of our District.

This outline portfolio will be developed and refined by further engagement with Members and Officers before the end of this current financial year. It should be noted that there is already activity in many of these programmes and this is not a cold start.

3.2 Shared Services agenda

3.2.1 Under the umbrella of the North Essex Councils arrangements described above, Epping Forest District Council, Colchester City Council and Braintree District Council have been working together on a project to explore the potential to share the corporate services listed below:

- Finance
- ICT

- Project Management Office
- Human Resources
- Revenues and Benefits

3.2.2 Our enabling services are essential to the operation of each organisation but the highly trained professional staff required to deliver them are often difficult to recruit and retain. This is a particular challenge when competing with larger organisations than each of the individual Councils. Due to the size of each Council, there is a small number of expert staff with specialisms which creates a lack of resilience.

3.2.3 Sharing services is not new to Epping Forest District Council as the following services are already delivered as shared services:

Name of shared service	Description of services delivered
North Essex Parking Partnership	On street parking enforcement for North Essex Councils.
Shared Payroll Service	Operation of payroll for several councils across all of Essex.
Essex Procurement Partnership	Shared to create economies of scale and resilience in purchasing and procurement involving Essex CC, Braintree DC, Castle Point DC and Tendring DC.
Shared Senior Roles	Shared Head of Legal, Chief Internal Auditor, S151 officer, Chief Accountant and Service Directors for Finance, ICT & Transformation

3.2.4 Epping, Colchester and Braintree have been working together to develop a common understanding of the similarities and differences of each service in scope through a process of discovery. This has also allowed common challenges and opportunities to be identified. A summary is shown at appendix B.

3.2.5 Details of how much the 3 Councils spend and the total number of staff employed is shown below:

Service	FTE	Salary
Revs & Bens	126	£4.72m
HR	28	£1.17m
ICT/Programme Management Office	97	£4.6m

Finance	74	£3.8m
TOTAL	319	£14.29m

- 3.2.6 From the information derived through discovery, there is now a case to build a detailed business case, proposed model, delivery programme and structure for the creation of a single shared back office.
- 3.2.7 To develop the business case and commence development of a proposal for the service, a programme team now needs to be put in place as detailed at appendix C. This will include existing staff from each Council but will also require further capacity. This in turn will require an initial investment of £180K from each Council.
- 3.2.8 When the full business case and proposed structure for a shared back office is developed, this will be considered at a future Cabinet meeting and will require additional investment from the portfolio provision.

3.3 North Essex Councils

- 3.3.1 Local authorities in North Essex represent a population of over 1 million people, and comprise the following organisations:

Braintree District Council
Chelmsford City Council
Colchester City Council
Epping Forest District Council
Essex County Council
Harlow Council
Maldon District Council
Tendring District Council
Uttlesford District Council

- 3.3.2 Councils in North Essex have been working together for several years, with a range of formal and informal collaborations, perhaps most notably the North Essex Economic Board.
- 3.3.3 Other councils in Essex already have a well-established strategic partnership; South Essex Councils (SEC), formerly Association of South Essex Authorities (ASELA), is in place under the governance of a joint committee enabling SEC to take formal decisions collectively and to agree joint delivery arrangements to achieve improved outcomes in South Essex, for example with Homes England.
- 3.3.4 In December 2022, the Leader of the Council in consultation with Cabinet agreed a Memorandum of Understanding with the other North Essex councils (appendix D) setting up the basis for a new strategic partnership to deliver place leadership across North Essex.
- 3.3.5 During 2023, Chief Executives from each of the North Essex councils have been meeting regularly to discuss and develop an action plan to deliver the aims in the memorandum of understanding.

3.3.6 At a meeting of North Essex Council leaders on 20 July 2023, it was agreed to formalise the partnership and commit to taking a common report through their relevant governance processes, hence this report.

3.3.7 As a result of those discussions, the Leaders of NEC have agreed that:

- NEC will identify common issues and develop shared solutions that add value beyond those any individual council could achieve.
- NEC will convene partnerships that deliver improved outcomes on Economic Growth, through the North Essex Economic Board (NEEB), Finance, Housing, Climate Change, Shared Services and Devolution.
- Within NEC, partnership working will happen at all levels, may involve different groups of NEC councils working together, and collaboration may reach beyond North Essex where this serves to the purpose of NEC.

3.3.8 NEC Leaders have reached a shared understanding of some of the key benefits of joint work, including but not limited to

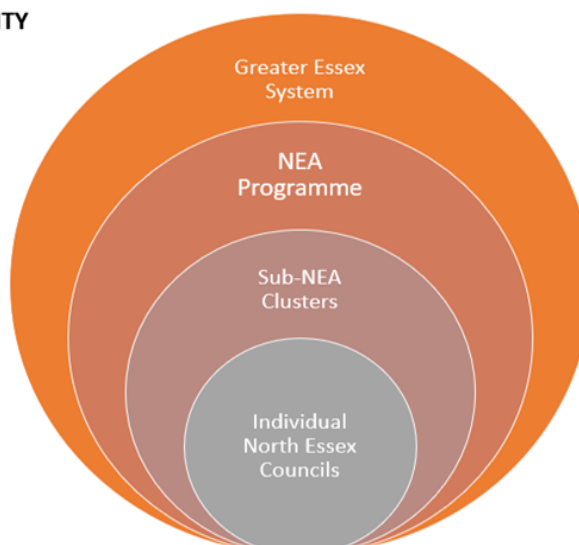
- Improving shared evidence, data and insights to inform collaboration.
- Enhancing organisational capacity & resilience.
- Improving core service quality, efficiency, and outcomes.
- Delivering key strategic programmes of work together.
- Influencing and supporting responses to legislative changes.
- Provide the basis for district, city and borough nominations to a future Greater Essex Combined Authority.
- Achieving financial security and increased investment.
- Influencing policy through a stronger collective voice – nationally, regionally and within Greater Essex.
- Driving forward new Shared Services opportunities.
- Engaging businesses effectively to support the responsibilities of the LEP across North Essex.

3.3.9 The outcomes listed in paragraph 8 will be achieved at different spatial levels, with the partnership allowing for projects across a subset of councils, all North Essex councils and influence beyond North Essex. The diagram below shows how this will work in practice:

NEA system working and scales of activity

CURRENT / EMERGING ACTIVITY

North Essex influencing GE Devo negotiations
Essex Shared Procurement Service
North Essex Economic Board
NEA Shared Services
Colchester Tending Borders Garden Community
Braintree Colchester & Epping Forest Shared Services
Braintree and Colchester Building Control collaboration



FUTURE POTENTIAL

North Essex representation on the GE(M)CCA
NEEB extension to NEA geography
North Essex new Programmes e.g. Housing, Climate, Health
Braintree, Colchester, Epping Forest & Tending Waste Partnership

3.3.10 Delivering this ambitious approach to sub-regional working will not be possible without each partner council contributing resources to the NEC programme.

3.3.11 Each constituent council will be required to contribute £20,000 in 2023/24, enabling the partnership to bring put in place the resources necessary to take forward NEC work on behalf of all councils.

3.3.12 From 2024/25 it is anticipated that the core costs of North Essex Economic Board membership will be incorporated into overall NEC contributions from 2024/25 for the eight constituent councils, and it is estimated that the total contributions for 2024/25 will be in the region of £40,000. This requirement will need to be considered as part of the 2024/25 budget process.

3.3.13 EFDC Leader of Council is the Chair of North Essex Councils supported by the Vice Chair, Leader of Colchester City Council.

4. Scrutiny Comments

Fit for the Future transformation portfolio will be presented to Scrutiny following further development.

The full business case for shared services will be presented to the Stronger Council Select Committee for scrutiny, prior to being reported to Cabinet.

5. Resource Implications:

The shared Director for ICT and Transformation is leading on formation of the portfolio structure and officer governance. During the course of this work, a more detailed understanding of the resources required for the portfolio will be established.

Our shared services programme (appendix C) has recruited additional capacity as agreed with our partner councils at the Shared Services board and will require additional resources in the coming months.

The windfall interest from the sale of Land at North Weald creates an unbudgeted opportunity to invest in sustainable solutions to the budget challenges mapped out in future years. Simply using the interest to fund existing services and delivery methods, represents a short-term stop gap to the financial challenges facing the Council and will eventually lead to the same structural programmes temporarily adverted. Finding sustainable solutions requires investment but will payback many times.

6. Legal and Governance Implications:

None at present.

7. Safer, Cleaner and Greener Implications:

The North Essex Councils arrangements will allow even closer regional collaboration to deliver key priorities on environment and sustainability.

8. Consultation / Scrutiny Undertaken:

Consultation will be conducted with staff who work in the services discussed in this report and appropriate union engagement will be undertaken.

9. Background Papers:

Appendices

Appendix A – NEC Director Advertisement from MJ

Appendix B – Shared Service objectives and outcomes

Appendix C – Shared Service Programme structure

Appendix D - North Essex Councils Memorandum of Understanding

Appendix E – Fit for the Future Outline Portfolio structure

10. Risk Management:

A full risk register will be created for the Fit for the Future portfolio with clear cross reference to the Corporate risk register.

11. Equality:

At this stage there are no direct implications. When the full business case for a single shared back office is reported to Cabinet, a full Equality Impact Assessment will be conducted and included.